

ENERGIZE INDIANA

Transforming the Hoosier Economy

Tax credits and other tax provisions

Energize Indiana includes the following tax provisions. Taxpayers who wish to use the **Hoosier Business Investment Tax Credit** must apply to the EDGE board for approval. Those who wish to take the **venture capital tax credit** must be certified by the Indiana Department of Commerce. For more information about either, contact Terri Van Zant, director of the Development Finance Office, 317-232-8827, tvanzant@commerce.state.in.us or your regional commerce director. All other tax credits may be taken on the appropriate tax forms at the time of filing.

Venture capital tax credit

Credit for taxpayer who provides qualified investment capital to a qualified Indiana business. A business is certified by the Indiana Department of Commerce if it is paying wages at least 150 percent of Indiana per capita personal income; is headquartered in Indiana; has average annual revenues of less than \$10 million in the previous two years; has at least 50 percent of its employees residing in Indiana or at least 75 percent of the company's assets located in Indiana; is not engaged in a business involving real estate, real estate development, insurance, retail sales, oil or gas exploration or services provided by an accountant, lawyer or physician; and is focused on research and development or other technology pursuits.

Hoosier Business Investment Tax Credit

30 percent credit on capital investments that lead to the creation of new jobs or increase the level of wages in Indiana. The EDGE board must approve the investment for the credit to be claimed. Qualified investments include the purchase of equipment, infrastructure, new computers or related equipment; costs associated with retooling machinery; and costs associated with construction of buildings for use in the computer, software, biological sciences or telecommunications industries.

Research and development tax credit

Existing tax credit, now at 10 percent but scheduled to revert to 5 percent after 2004; will remain at 10 percent through 2013.

Biodiesel

Tax credit of \$1 per gallon of biodiesel produced in Indiana and used to produce blended biodiesel. Credit of 2 cents per gallon of blended biodiesel produced in Indiana. Credit of 1 cent per gallon of blended biodiesel sold through a metered pump at a service station.

Ethanol

Tax credit of 12.5 cents per gallon of ethanol produced at an Indiana facility.

Community revitalization enhancement district

First- and second-class cities may create a community revitalization enhancement district, which will receive 75 percent of any incremental sales or income tax generated in the district. The city must pledge \$250,000 for infrastructure improvements.

Distressed counties

Funding of industrial development projects in distressed counties provided by incremental sales and income tax funding for the project area, not to exceed \$500,000.

Aircraft

Owner of an aircraft used to transport people or property between a qualifying medium hub airport and at least two qualifying underserved airports is entitled to a property tax deduction.

Also, aircraft operated by a business entity that has its corporate headquarters in Indiana are exempt from the property tax.